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September 12, 2014

ACCEPTED/FILED

SEP 15 2014

Federal Communications Commission
Office of the Secretary

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: REDACTED – FOR PUBLIC INSPECTION
Adak Eagle Enterprises, LLC Request for Confidential Treatment and Redacted
Submission of Information

Dear Ms. Dortch:

On behalf of Adak Eagle Enterprises, LLC, Adak Telephone Utility, and Windy City Cellular (collectively, the Companies) and in accordance with the Protective Order adopted in the above referenced proceedings,¹ enclosed please find a Request for Confidential Treatment and two (2) copies of the Redacted version of the Companies' second supplemental responses² to the request for additional information issued by the Federal Communications Commission (FCC or Commission) by letter dated August 12, 2014. The Companies are also submitting one (1) copy of the Confidential version of the filing to the Office of the Secretary, and two (2) additional copies of the Confidential version of this filing are being delivered to Lynne Hewitt Engledow, Pricing Policy Division, Wireline Competition Bureau, Federal Communications Commission.

¹ *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Protective Order, 25 FCC Rcd 13160 (Wireline Comp. Bur. 2010).

² This second supplement provides responses to questions 6 and 13 of the Commission's August 12, 2014 letter. The Companies' first response, filed August 22, 2014, provided answers to questions 3, 4, 5, 10, 14, 16, and 17. The Companies' first supplemental response, filed September 9, 2014, provided answers to questions 1, 2, 7, 8, 9, 11, 12, and 15.

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REDACTED – FOR PUBLIC INSPECTION

Squire Patton Boggs (US) LLP

September 12, 2014

Should you have any questions concerning the foregoing request, please contact the undersigned.

Respectfully submitted,



Monica S. Desai
Squire Patton Boggs (US) LLP
2550 M Street, NW
Washington, DC 20037
202-457-7535

Counsel to Adak Eagle Enterprises, LLC; Adak Telephone Utility, LLC; and Windy City Cellular, LLC

September 12, 2014

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Request for Confidential Treatment – Adak Eagle Enterprises, LLC in CC DOCKET NO. 01-92, WC DOCKET NOS. 05-337, 07-135 AND 10-90 AND GN DOCKET NO. 09-51 Before the Federal Communications Commission

Dear Ms. Dortch,

On behalf of Adak Eagle Enterprises, LLC (AEE), Adak Telephone Utility (ATU) and Windy City Cellular, LLC (WCC) (collectively, the Companies) and in accordance with the Protective Order issued in the above referenced proceedings¹ and Federal Communications Commission (FCC or Commission) rules—specifically Section 0.459² of the Commission's rules—the Companies request Confidential Treatment of certain information located in the attached second supplemental response to the request for additional information issued by the FCC by letter dated August 12, 2014.³ In particular, the Companies request Confidential Treatment of the information provided in response to questions 6 and 13, and for all of the attachments included at Exhibits 1 - 3 of said response (collectively, Confidential Information).⁴ Accordingly, the Companies hereby seek

¹ *Connect America Fund et al.*, WC Docket 10-90 et al., Protective Order, 25 FCC Rcd 13160 (Wireline Comp. Bur. 2010).

² 47 C.F.R. § 0.459.

³ See Letter from Carol E. Matthey, Acting Chief, Wireline Competition Bureau, to Larry Mayes, President/CEO, Adak Eagle Enterprises, LLC and Windy City Cellular, LLC (Aug. 12, 2014).

⁴ This second supplement provides responses to questions 6 and 13 of the Commission's August 12, 2014 letter. The Companies' first response, filed August 22, 2014, provided answers to questions 3, 4, 5, 10, 14, 16, and 17. The Companies' first supplemental response, filed September 9, 2014, provided answers to questions 1, 2, 7, 8, 9, 11, 12, and 15.

Confidential Treatment, request that the Confidential Information be withheld from public inspection, and answer the questions set forth in Section 0.459(b) of the Commission's rules.⁵

(1) Identification of the specific information for which confidential treatment is sought.

All of the information designated as "Confidential Information" being submitted herewith is confidential commercial information under Exemption 4 of the FOIA.⁶ As explained in more detail below, the Confidential Information contains proprietary commercial and financial information. Accordingly, pursuant to Section 0.459(a) of the Commission's rules, the Companies request that such information not be made routinely available for public inspection.⁷

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission.

The information is being provided to the Commission as part of the petitions for waiver filed by AEE and WCC⁸ of Section 54.302 of the Universal Service Fund and Inter-carrier Compensation reform rules adopted by the Commission as part of its November 18, 2011, Report and Order.⁹

(3) Explanation of the degree to which the information is commercial or financial or contains a trade secret or is privileged.

The data and explanations contained in the Confidential Information are not customarily disclosed to the public or within the industry. The Confidential Information shows sensitive financial information related to the Companies. The Confidential Information also reveals details about AEE's service area; procedures for allocating costs; revenue and expense data; and projected revenues and expenses pertaining to the Companies. The disclosure of such information would cause harm to the Companies. This sensitive commercial and financial information is not made available to the public by the Companies.

(4) Explanation of the degree to which the information concerns a service that is subject to competition.

⁵ 47 C.F.R. § 0.459(b).

⁶ 5 U.S.C. § 552(b)(4).

⁷ 47 C.F.R. § 0.459(a).

⁸ Petition for Waiver of Adak Eagle Enterprises, LLC, WC Docket No. 10-90, *et al.* (filed May 22, 2012); Petition for Waiver of Windy City Cellular, LLC, WC Docket No. 10-90, *et al.* (filed Apr. 3, 2012).

⁹ *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (Report and Order).

The data and explanations contained in the Confidential Information being provided to the Commission describe the business and operational details of AEE's communications network that it provides on Adak Island in Alaska, as well as business and operational details with respect to WCC and ATU. All of the Confidential Information concerns competitive voice and broadband services. Indeed, Alaska Wireless competes to provide communications services in the downtown area of Adak.

(5) Explanation of how disclosure of the information could result in substantial competitive harm.

The presence of competition in downtown Adak and the likelihood of competitive injury threatened by release of the information provided to the Commission by the Companies should compel the Commission to withhold the Confidential Information from public disclosure. The Commission has provided assurances that it is "sensitive to ensuring that the fulfillment of its regulatory responsibilities does not result in the unnecessary disclosure of information that might put its regulatees at a competitive disadvantage."¹⁰

(6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure.

In order to prevent unauthorized disclosure of the subject information, and pursuant to the Protective Order issued in these proceedings,¹¹ the Companies are filing a confidential version of this filing with the Office of the Secretary. The Companies take routine measures to ensure the confidentiality of this information during normal business operations.

(7) Identification of whether information is available to the public and the extent of any previous disclosure of the information to third parties.

The data and explanations contained in the Confidential Information are not available to the public or to any third parties.

(8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure.

As noted in response to question (1) above, all of the data and explanations being submitted herewith is confidential commercial information under Exemption 4 of the FOIA.¹² Consequently, the Companies would never make this information available publicly due to its sensitive and

¹⁰ *Examination of Current Policy Concerning the Treatment of Confidential Information Submitted to the Commission*, Report and Order, 13 FCC Rcd 24816, ¶ 8 (1998).

¹¹ See *supra* note 1.

¹² 5 U.S.C. § 552(b)(4).

September 12, 2014

proprietary nature. For this reason, the Companies respectfully request that the Commission protect this information from public disclosure in perpetuity.

(9) Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted.

The Confidential Information contains proprietary commercial and financial information, which the Companies will forever keep confidential. Because of the competitive sensitivity of the Confidential Information, the Companies seek confidential treatment indefinitely.

Should you have any questions concerning the foregoing request, please contact the undersigned.

Respectfully submitted,



Monica S. Desai
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Counsel to Adak Eagle Enterprises, LLC; Adak Telephone Utility, LLC; and Windy City Cellular, LLC



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September 12, 2014

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN
CC DOCKET NO. 01-92, WC DOCKET NOS. 05-337, 07-135 AND 10-90 AND GN
DOCKET NO. 09-51 BEFORE THE FEDERAL COMMUNICATIONS
COMMISSION**

**Adak Eagle Enterprises, LLC Request for Confidential Treatment and Confidential
Submission of Information**

Dear Ms. Dortch:

Adak Eagle Enterprises, LLC (AEE), Adak Telephone Utility (ATU), and Windy City Cellular (WCC) (collectively, the Companies) hereby submit the second supplement to their initial responses to the request for additional information issued by the Federal Communications Commission (FCC or Commission) by letter dated August 12, 2014.¹ The [[]] symbols in this Confidential version denote Confidential Information as defined in the Companies' attached Request for Confidential Treatment.

Herein, the Companies submit responses to questions 6 and 13 – the final set of responses to the questions posed in the Aug. 12, 2014 FCC Letter. On August 22, 2014, the Companies provided responses to questions 3, 4, 5, 10, 14, 16, and 17, and on September 9, 2014, the Companies provided responses to questions 1, 2, 7, 8, 9, 11, 12, and 15. As explained in connection with the PDF documents provided to the Commission on August 22, 2014, the information relating to older financial records is no longer available in the requested formats. In order to accommodate the Commission's request, the Companies have manually input the data into Excel, and thus the Companies also submit with this filing responses to questions 1, 2, and 3 in Microsoft Excel format.

¹ See Letter from Carol E. Matthey, Acting Chief, Wireline Competition Bureau, to Larry Mayes, President/CEO, Adak Eagle Enterprises, LLC and Windy City Cellular, LLC (Aug. 12, 2014) (Aug. 12, 2014 FCC Letter).

As the Companies noted in both of their prior submissions – filed August 22, 2014 and September 9, 2014 – they provide quality telecommunications services to remote Adak Island, Alaska. Thus, the Companies understand the importance of ensuring that Universal Service funds are being used appropriately to provide service to such remote areas, and are eager to conclude this administrative process so that service to remote Adak Island, Alaska may continue.²

Moreover, the Companies emphasize that they have worked diligently to respond quickly and comprehensively to the numerous questions posed by Commission staff, expending considerable resources in the process.³ The Companies are hopeful that this submission will result in the Wireline Competition Bureau (Bureau) staff engaging in a dialogue with the Companies related to their responses that will lead to a conclusion where the companies receive the funds they need to continue to serve Adak Island.

6) Please provide updated forecasts used in the “Sustainable” scenario of the “Adak Telephone Utility – Scenario” submitted as Attachment 6 to AEE’s April 12, 2013 Ex Parte. Two sets of updated forecasts should be provided. In our meeting on July 24, 2014, you indicated that if Windy City Cellular (WCC) were to cease operations, that would necessitate a reallocation of costs currently assigned to WCC pursuant to your Cost Allocation Manual. The first updated forecast should assume that AEE’s subsidiary, WCC, continues operations. The second updated forecast should assume that WCC ceases operations as of December 31, 2014. Differences in ATU’s revenues and operating expenses as a result of WCC’s cessation of operations should be highlighted in the two updated scenarios. Please provide these two scenarios in Microsoft Excel format (.xls or .xlsx).

Please see the attachments at Exhibit 1.

² Petition for Waiver of Adak Eagle Enterprises, LLC, WC Docket No. 10-90, *et al.* (May 22, 2012) (Adak Petition); Petition for Waiver of Windy City Cellular, LLC, WC Docket No. 10-90, *et al.* (Apr. 3, 2012). See Response of Adak Eagle Enterprises, LLC and Windy City Cellular, LLC to the Commission’s August 12, 2014 Letter, WC Docket No. 10-90, *et al.* (Aug. 22, 2014).

³ See Adak Eagle Enterprises, LLC and Windy City Cellular, *Ex Parte Notice and Submission of Supplemental Information*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208 (filed Aug. 20, 2012); Adak Eagle Enterprises, LLC, *Request for Confidential Treatment and Confidential Second Submission of Supplemental Information*, CC Docket No. 01-92, WC Docket Nos. 05-337, 07-135, 10-90 and GN Docket No. 09-51 (filed Aug. 21, 2012); Adak Eagle Enterprises, LLC, *Request for Confidential Treatment and Confidential Third Submission of Supplemental Information*, CC Docket No. 01-92, WC Docket Nos. 05-337, 07-135, 10-90 and GN Docket No. 09-51 (filed Aug. 22, 2012); Adak Eagle Enterprises, LLC, *Request for Confidential Treatment and Confidential Fourth Submission of Supplemental Information*, CC Docket No. 01-92, WC Docket Nos. 05-337, 07-135, 10-90 and GN Docket No. 09-51 (filed Aug. 27, 2012).

13) Please quantify, on the basis of both per-loop support and total support:

- The specific levels of federal High Cost Loop Support (HCLS) and Interstate Common Line Support (ICLS) that ATU is seeking for each year 2014 through 2017.
- ATU's 2014-2017 forecasts of the HCLS and ICLS that it will receive subject to the \$250 per loop cap.
- ATU's 2014-2017 forecasts of the additional HCLS and ICLS that it seeks that is above the \$250 per loop cap.
- ATU's 2014-2017 forecasts of the CAF-ICC support that it will receive.
- ATU's 2014-2017 forecast of high-cost support from the state of Alaska.

Please provide this information in either Microsoft Excel format (.xls or .xlsx), or Comma Separated Values format (.csv).

Please see the attachments at Exhibit 2. The Companies note that they understand the Alaska State High Cost Support Revenue Fund is not in place, and that there is no mechanism as of yet to establish this fund.

In responding to question 13, the Companies refer Commission staff to the FCC's website, which explains:

Universal service is the principle that *all Americans* should have access to communications services. Universal service is also the name of a fund and the category of FCC programs and policies to implement this principle. Universal service is a cornerstone of the law that established the FCC, the Communications Act of 1934. Since that time, universal service policies have helped make telephone service ubiquitous, even in remote rural areas.⁴

The USAC website includes similar language, stating in addition that:

The Telecommunications Act of 1996 (1996 Telecom Act) expanded the scope of universal service to include increased, affordable access to both telecommunications and advanced services, such as high-speed Internet, for all consumers. More specifically, the law adopted explicit goals to guide the implementation of universal service policies. These goals include:

- Promote the availability of quality services at just, reasonable, and affordable rates.
- Increase access to advanced telecommunications services throughout the nation.
- Advance the availability of such services to all consumers, including those in low income, rural, insular, and high cost areas at rates that are reasonably comparable to those charged in urban areas.

⁴ See Universal Service FCC Encyclopedia Entry (available at: <http://www.fcc.gov/encyclopedia/universal-service>).

- Increase access to telecommunications and advanced services in schools, libraries, and rural health care facilities.
- Provide equitable and non-discriminatory contributions from all providers of telecommunications services to the fund supporting universal service programs.⁵

The Companies emphasize that AEE has consistently used monies from the Universal Service Fund (USF) to deploy and reinvest in telecommunications for one of the most difficult communities to serve in the country. Like ATU, WCC has used USF monies as effectively as possible to build out a wireless network to provide the most comprehensive coverage on the Island. This kind of deployment (in both wireline and wireless services) – in an area left forgotten by others – is now starting to foster a viable township, where government agencies conduct important work, jobs are developing, and tourism can flourish.

If AEE's High Cost Loop Support ("HCLS") is reduced, Adak will be forced to implement a local rate increase and put the burden on the total community of Adak whose local basic telephone rate is already \$40.60 for basic local service, no long distance, no extra features, and no voice mail.

WCC has shown repeatedly that its service coverage area is larger than other carriers in the area (and meets the FCC study area requirements for serving an area, not just the most populated census tracts). Also, as Commission staff will note in the attached, ATU's impact to the HCLS Fund is less than [REDACTED] annually, a negligible amount of the more than \$4 billion dollars awarded by the HCLS Fund in 2013.⁶ Moreover, WCC seeks less than [REDACTED] in HCLS per year. WCC would base its HCLS on an actual cost-based model rather than a reciprocal compensation based one. This would allow a proper return on investment, and allow full deployment of services.

Currently, ATU is researching options to dig up its abandoned copper plant, in hopes of applying any money it can recover from that effort to pay down its RUS loan.

⁵ See also the answer to question 1 of USAC's Universal Service Frequently Asked Questions (available at: <http://www.usac.org/about/about/universal-service/faqs.aspx>).

⁶ See ICLS&HCLS spreadsheet, specifically the column listing HCLS totals for the year. See also the answer to question 3 of USAC's Universal Service Frequently Asked Questions (available at: <http://www.usac.org/about/about/universal-service/faqs.aspx>).

Squire Patton Boggs (US) LLP

September 12, 2014

Should you have any questions concerning the foregoing information, please contact the undersigned. Responses to the remaining questions will be forthcoming as quickly as possible.

Respectfully submitted,



Monica S. Desai
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2550 M Street, NW
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202-457-7535
*Counsel to Adak Eagle Enterprises, LLC; Adak
Telephone Utility, LLC; and Windy City Cellular,
LLC*

REDACTED – FOR PUBLIC INSPECTION

**EXHIBIT 1 – Updated Forecasts
Response to Question 6**

REDACTED

EXHIBIT 2 – Support Levels
Response to Question 13
REDACTED

**EXHIBIT 3 – 2011-2013 Financials in
Microsoft Excel Format**

**Response to Questions 1, 2, and 3
(Previously Provided in PDF Format)**

REDACTED

REDACTED – FOR PUBLIC INSPECTION

EXHIBIT 4 – Declaration of Andilea Weaver

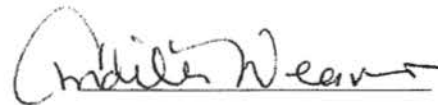
REDACTED -- FOR PUBLIC INSPECTION

DECLARATION OF ANDILEA WEAVER
ADAK EAGLE ENTERPRISES, LLC; ADAK TELEPHONE UTILITY, LLC; AND
WINDY CITY CELLULAR, LLC

I, Andilea Weaver, declare the following is true and correct to the best of my knowledge and belief:

I am the Chief Operations Officer of Adak Eagle Enterprises, LLC; Adak Telephone Utility, LLC; and Windy City Cellular, LLC (collectively, the Companies). I have reviewed the Companies' second supplemental response to the request for additional information issued by the Federal Communications Commission by letter dated August 12, 2014, and the attached Exhibits, and attest – under penalty of perjury – that the facts contained therein are known to me and are accurate.

Executed on this 12th day of September 2014.



Andilea Weaver

Chief Operations Officer
Adak Eagle Enterprises, LLC; Adak
Telephone Utility, LLC and Windy City
Cellular,
LLC